Non-plan expenditure

375. SHRIMATI SYEDA ANWARA TAIMUR:
SHRI VIJAY JAWAHARLAL DARDA:

Will the Minister of FINANCE be pleased to state:

(a) what is the actual status of the non-plan expenditure of Government for the 1st and 2nd quarter of 2008-09;

(b) whether all the Ministries have given the requisite information in terms of guidelines issued by the Cabinet Secretariat on 12 June, 2008 to tighten up the austerity measures;

(c) whether during 2007-08, non-plan expenditure overshot the allocated funds; and

(d) if so, whether any diversions were made from plan expenditure to meet non-plan liabilities during 2007-08?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (d) The information is being collected and will be laid on the Table of the House.

Impact of US financial crisis on Indian banks

376. SHRI MAHENDRA MOHAN: Will the Minister of FINANCE be pleased to state:

(a) how far Public Sector Banks are capitalized and regulated in our country and how far US financial crisis has impacted these banks;

(b) if so, the details thereof;

(c) whether Government is going to provide additional capital to these banks; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The Indian public sector banks are adequately capitalised. As on 31.03.2008, the Capital to Risk Weighted Assets Ratio (CRAR) of the public sector banks was in the range of 10% -15% against the minimum regulatory requirement of 9%. The average CRAR of these banks stood at 12.3% as on 31.03.2008.

Against the backdrop of the sub-prime crisis in USA and with the objective of monitoring its impact on Indian banks and their overseas subsidiaries on a continuous basis, Reserve Bank of India (RBI) has placed a separate mechanism for reporting, on a monthly basis, the exposure of Indian banks via their overseas operations and subsidiaries towards credit derivatives and other investments, and the related Marked-to-Market (MTM) losses. Securities and Exchange Board of India (SEBI) is also continuously reviewing the situation in consultation with the stock exchanges and the depositories. RBI - SEBI Technical Committee is closely monitoring the developments in the global financial markets and its impact on the Indian markets.